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TO RUEHC/SECSTATE WASHDC PRIORITY 4803  
INFO RUEHRI/AMCONSUL RIO DE JANEIRO 1704  
RUEHSO/AMCONSUL SAO PAULO 6557  
RUEHRG/AMCONSUL RECIFE 4471

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STATE PLEASE PASS TO NP/NE ALEX BURKHART AND CHRISTINE MARTIN,  
OES/STC GEORGE DRAGNICH, OES/SAT RALPH BRAIBANTI

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TAGS: [TRGY](#) [TNGD](#) [EMIN](#) [KSCA](#) [BR](#)

SUBJECT: LULA NEGATES MINISTER'S NUCLEAR ENERGY PROCLAMATION

REF: 05 BRASILIA 0992

¶1. Summary: Last week in an interview with the BBC, Brazil's Minister of Science and Technology, Sergio Rezende, claimed that the GoB wants to and is ready to approve a new plan to build 7 new nuclear reactors over the next 15 years. His statements are the continuation of a debate surrounding the future of Brazil's nuclear program. (reftel) However, Brazil's Minister of Treasury, Antonio Palocci, and President Lula would later discredit Rezende's remarks. Lula noted that while nuclear energy was one of many options being considered, the GoB had not yet made any decisions. End Summary

¶2. In his comments to the BBC, Rezende purported that Brazil's nuclear timeline would commence with renewed construction and completion of Brazil's long dormant Angra III reactor. Thereafter, the GoB would build a new reactor every two to three years. Many of the reactors, according to Rezende, will be situated in Brazil's Northeast. He affirmed that the plan/strategy is complete and has passed through rigorous examination by Brazil's nuclear energy commission. The next step would be approval by the National Council of Energy Politics (comprised of various ministries and members of Congress). Rezende's comments culminated with the assertion that the plan should be approved in July.

¶3. Shortly after Rezende's interview, Finance Minister Palocci categorically rebuked the comments noting, "there is absolutely no firm plan on this issue." President Lula reiterated these sentiments the following day, denying that the GoB has any definite plan concerning nuclear reactors. While admitting that the government is concerned with ways to address future energy consumption, he noted that the GoB is discussing various alternatives to energy generation. Lula also stated that constructing a nuclear reactor is, "not a priority for the government at this moment." Both Lula and Palocci added that the GoB's current priorities emphasize expanded hydroelectric and biomass energy generation.

¶4. Comment: Rezende's comments and the Presidents subsequent rebuke appear to highlight a rift in the GoB over Brazil's nuclear-future. It seems unlikely that Rezende would make such a bold statement without some sort of previous posturing by the administration in favor of these views. However, it is also clear that Lula is not ready to commit to the plan. One can intuit that powerful factions, including the Ministry of the Environment and Lula's Chief of Staff, Dilma Rousseff, remain opposed to the plan. Post will update as more developments unfold. End Comment

CHICOLA